

[Press Releases](#)

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ATTORNEY GENERAL MADIGAN, DEPARTMENT OF REVENUE ANNOUNCE TWO NEW FELONY INDICTMENTS IN GAS TAX FRAUD INVESTIGATION***Ongoing Enforcement Efforts Responsible for Recovery of \$52 Million in Unpaid Sales Tax***

Chicago — Attorney General Lisa Madigan and the Illinois Department of Revenue (DOR) announced today the indictments of two additional Illinois gas station owners for sales tax fraud. To date, the ongoing investigation has resulted in charges against 13 gas station owners, operators and accountants and payment of more than \$52 million in previously unpaid sales tax by gas station owners to the state of Illinois.

Madhat G. Saleh, 31, Peoria, Ill., has been charged with 13 counts of sales tax fraud for activity from June 2008 through December 2009. Saleh operates M & G Food Mart, a convenience store and gas station located at 640 W. Main St., in Peoria. A warrant has been issued for his arrest.

Bhavesh Ghandi, 38, Streamwood, Ill., has been charged with two counts of sales tax fraud and two counts of mail fraud for activity from June 2007 through October 2009. He operated AMI Oil Corporation, 1030 N. Lake Street, Aurora, Ill., from September 2005 through October 2009. Ghandi is scheduled to appear in court on July 7.

"These businesses pocket the tax money consumers pay at the pump," Attorney General Madigan said. "We will continue to pursue gas station owners who illegally profit at the expense of taxpayers and the state."

"Retail outlets in Illinois have a special obligation to pay the sales taxes they collect from their customers," said Brian Hamer, director, Illinois Department of Revenue. "We will continue to work hard to make sure that all businesses pay the taxes they owe, and that honest businesses are not placed at a competitive disadvantage."

Filing a fraudulent Illinois Sales and Use tax return and mail fraud are Class 3 Felonies, which can result in sentences of two to five years in prison.

Gasoline sales are reported to the state on a monthly basis. In 2009, Madigan's office and DOR determined gas station owners were evading payment of taxes by falsely reporting gasoline sales figures, resulting in millions of dollars in lost state revenue.

The joint investigation and subsequent enforcement effort has, to date, resulted in charges against 13 individuals including a Chicago area CPA, and his brother in March for preparing fraudulent Illinois Sales and Use tax returns on behalf of six gas station owners who attempted to evade paying state sales tax.

In addition to the collection of back taxes owed, investigations by DOR's Bureau of Criminal Investigation (BCI) are helping to ensure that gas stations are filing more accurate sales tax returns that reflect the actual sales of gasoline.

Bureau Chief Vincenzo Chimera, Supervising Attorney Patrick Jennings, and Assistant Attorneys General Lori Jordan, Kristina Waldron, Kathleen Farrell, James Rustik and Gene Bian are handling the cases for Madigan's Special Prosecutions Bureau.

-30-

[Return to June 2011 Press Releases](#)

